(c) how long it will take to implement the remaining recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Recommendations of the Tax Reforms Committee (TRC) are given in its three reports which have been made public. One more copy will be made available to the Rajya Sabha Library.

(b) The recommendations of TRC, in so far as they were considered to be acceptable, have been implemented.

(c) No time limit has been fixed for implementing the remaining recommendations.

Common accounting practice for brokers by stock exchanges

1082. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether all the Stock Exchanges have met to evolve standard and common accounting practices for brokers;

(b) if so, what was the consensus arrived at; and

(c) by when such guidelines will be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) A committee consisting of representatives of various Stock Exchanges has been recently formed by the Stock Exchanges at the instance of SEBI for giving suggestions on the Guidance note on Audit of Accounts of members of Stock Exchanges prepared by the Institute of Chartered Accountants of India. This committee met on 24.2.1995 and it is expected to prepare a report after considering the accounting practices of various Stock Exchanges.

(e) It is at present premature to indicate any time-limit, as the work of the Committee is still in progress.

Amount deposited by NRI's in public sector banks in Gujarat

1083. SHRI RAJUBHAI A. PARMAR: Will the Minister of FINANCE be pleased to state:

(a) the amount deposietd by the Non-Resident Indians in various Public Sector Banks in Gujarat State during 1994-95 till date; and

(b) the banks in the State in which maximum amount has been deposited by the NRI's?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) The information is being collected and will be laid on the Table of the House to the extent available.

Floating of GDRs in foreign market by Indian Companies

1084. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state;

(a) whether any Indian companies have been allowed to float GDRs in foreign markets on condition that the proceeds are not brought back into the country without prior notice;

(b) if so, the reasons for enforcing this stipulation; and

(c) the annual servicing burden in foreign exchange of the GDRs issued till now under this new guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Yes, Sir. In terms of the guidelines issued by the Government on October 28, 1994, Companies issuing GDRs would be required mandatorily to retain the Euro-Issue proceeds

abroad to be repatriated as and when expenditure for the aproved end uses (including upto 15% earmarked for general corporate restructuring uses) are incurred. This will enable companies to tap makets abroad for approved purposes while also avoiding monetary exansion as a consequence of Euro issue inflows in advance of the need for funds.

(c) Dividends on the underlying Ordinary Shares would represent the annual servicing burden on account of GDRs issued by the Indian companies. Such payments would depend on the performance of the individual companies and the rates of dividend declared by them.

Safeguards for Indian Stock Exchanges

1085. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) whether the collapse of the Barings banking institution, which has convulsed the share market in a number of foreign countries, will also affect the Indian stock markets;

(b) whether proposals are under consideration to introduce safeguards to isolate the Indian Stock Exchange from such international developments; and

(c) whether the proposals to 'lock in' for a minimum stipulated period investments from outside are being examined?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The incident related to the Barings PLC and its subsidiaries has not had any tangible repurcussions on the Indian Stock Market.

(b) While it may not be possible to completely isolate any market in which cross border investment inflows are permitted from the effects of international developments, the existing restrictions on Foreign Institutional investments in terms of ceiling of such investments in a single company to the extent of 5% of the capital of the company, ceiling of aggregate holding of Foreign Institutional Investors (FIIs) and Non-resident Indians in a single company to the extent of 24% of the capital, and the ceiling on exposure of FII investments to debt securities are intended to minimise the impact.

(c) Secondary market investments by FIIs are not subject to any lock-in period. However preferential allotment made to FIIs by Indian companies in their issues is subject to lock in provisions. Further the prevailing higher short term capital gains tax acts also as a deterrent to disinvestment by FIIs within a period of less than 12 months Government does not propose to introduce any further lock-in-restrictions.

Badla trading in stock market

1086. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to reintroduce Badla trading in stock market operations:

(b) if so, the details thereof;

(c) whether it is a fact that the Badla transactions were banned by the Securities and Exchange Board of India (SEBI) in December, 1993 with full concurrence of the Finance Minister; and

(d) if so, what are the reasons for reintroducing Badla transactions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) The Securities and Exchange Board of India (SEBI) has recently constituted a Committee to review the system of carry-forward of transactions in the stock exchanges. No decisions have yet been taken by SEBI